

AL/NRP/BSE/027/2023-24

07<sup>th</sup> July, 2023

Manager – Corporate Relationship,  
Dept of Corporate Services,  
BSE Limited,  
Floor 25, P.J. Towers,  
Dalal Street, Mumbai 400 001.

Dear Sir,

**SUB.: INTIMATION UNDER REGULATION 30 OF SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS), REGULATIONS 2015 – SCHEME OF AMALGAMATION**  
**REF.: SCRIP CODE: 517494**

In compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform you that the Board of Directors of the Company ("**Board**") at its meeting held today i.e. 07<sup>th</sup> July, 2023, *inter alia*, considered and approved the Scheme of Amalgamation of Accel OEM Appliances Limited (Transferor Company – 1) and Accel Media Ventures Limited (Transferor Company – 2) with Accel Limited (Transferee Company).

The Scheme, inter alia provides for the following:

- (i) The transfer and vesting of the undertaking of the Transferor Companies with and into the Transferee Company and the consequent issue of equity shares by the Transferee Company to the shareholders of the Transferor Company – 2 (except the Transferee Company).
- (ii) Listing of the share capital of the Transferee Company, consisting of the fully paid-up equity shares of the Transferee Company issued as consideration for the transfer and vesting of the undertaking of the Transferor Company -2 with and into the Transferee Company under the Scheme to the shareholders of the Transferor Company-2, on the BSE Limited ("**Stock Exchange**") after the effectiveness of this Scheme in accordance with the provisions of the SEBI Circular and;
- (iii) The proposed Appointed Date of the Scheme will be April 1, 2023.
- (iv) The Scheme is subject to no-objection from the Stock Exchange, approval by the requisite majorities of the classes or persons, including shareholders, creditors of Transferor Companies and Transferee Company as may be directed by the NCLT under section 230-232 of the Act, approval from NCLT and other applicable approvals



and shall come into effect upon fulfillment of conditionalities as prescribed under clause 10 of the Scheme.

- (v) The Transferee Company shall issue and allot 12,12,500 fully paid equity shares to the shareholders of the Transferor Company -2 (except the Transferee Company) as per the share exchange ratio as specified in the Scheme and the said equity shares shall rank pari-passu in all the respects as the existing equity shares of the Transferee Company.
- (vi) (a) 9,80,070 equity shares held by the Transferee Company in the Transferor Company -1 shall stand cancelled.
- (b) 40,05,500 equity shares held by the Transferee Company in the Transferor Company -2 shall stand cancelled.
- (vii) The Transferee Company shall apply to the Stock Exchange (where the shares of the Transferee Company are listed) and SEBI for listing and admission to trading of all the equity shares issued to the shareholders of the Transferor Company pursuant to the Scheme in terms of the SEBI Circular read with any other applicable laws.
- (viii) The Transferor Companies shall stand dissolved.
- (ix) Various other matters consequential or otherwise integrally connected therewith.

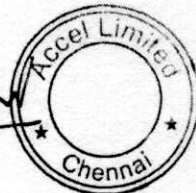
The details as required under Listing Regulations read with SEBI Circular No. CMJCFD/C1V1D/4/2015 dated September 9, 2015 are given in Annexure A to this letter.

This is for your information and record. Kindly acknowledge receipt.

The Board Meeting commenced at 3.30 PM and concluded at 4.45 P.M.  
Please arrange to take the same on record.

Thanking you,

Yours faithfully,  
For Accel Limited



**N. R. PANICKER**  
**MANAGING DIRECTOR**  
**DIN: 00236198**  
Encl: As above

**ANNEXURE A**

SR. NO	DETAILS OF EVENTS THAT NEED TO BE PROVIDED	INFORMATION OF SUCH EVENT(S)																
(a)	name of the entity(ies) forming part of the amalgamation / merger, details in brief such as, size,turnover etc.;	<p>The details of Accel OEM Appliances Limited - AOAL ("Transferor Company -1"), Accel Media Ventures Limited - AMVL ("Transferor Company -2") and Accel Limited ("Transferee Company" or the "Company"), are as under:</p> <p align="right"><b>As on March 31, 2023</b></p> <p align="right">(Rs. Lakhs)</p> <table border="1" data-bbox="724 568 1350 882"> <thead> <tr> <th data-bbox="724 568 903 658">Particulars</th> <th data-bbox="903 568 1062 658">Transferor Company -1 (AOAL)</th> <th data-bbox="1062 568 1222 658">Transferor Company -2 (AMVL)</th> <th data-bbox="1222 568 1350 658">Transferee Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="724 658 903 725">Paid up capital</td> <td align="center" data-bbox="903 658 1062 725">98.00</td> <td align="center" data-bbox="1062 658 1222 725">521.80</td> <td align="center" data-bbox="1222 658 1350 725">1151.45</td> </tr> <tr> <td data-bbox="724 725 903 792">Net worth (standalone)</td> <td align="center" data-bbox="903 725 1062 792">49.93</td> <td align="center" data-bbox="1062 725 1222 792">(522.23)</td> <td align="center" data-bbox="1222 725 1350 792">7280.05</td> </tr> <tr> <td data-bbox="724 792 903 882">Turnover (standalone)</td> <td align="center" data-bbox="903 792 1062 882">Nil</td> <td align="center" data-bbox="1062 792 1222 882">126.17</td> <td align="center" data-bbox="1222 792 1350 882">15537.62</td> </tr> </tbody> </table>	Particulars	Transferor Company -1 (AOAL)	Transferor Company -2 (AMVL)	Transferee Company	Paid up capital	98.00	521.80	1151.45	Net worth (standalone)	49.93	(522.23)	7280.05	Turnover (standalone)	Nil	126.17	15537.62
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(b)	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	<p>Yes. The Transferor Companies are subsidiaries of the Transferee Company and as such the said companies are related party to each other.</p> <p>However, the Ministry of Corporate Affairs has clarified <i>vide</i> its General Circular No. 30/ 2014 dated July 17, 2014 that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013, will not fall within the purview of related party transaction in terms of Section 188 of the Companies Act, 2013.</p> <p>The consideration for the Scheme will be discharged at an 'arm's length' basis. The consideration/share exchange ratio has been arrived at based on the valuation report dated 07<sup>th</sup> July,2023 obtained from Mr. Sanka Hari Surya, a registered Valuer, and confirmed by a Fairness Opinion dated 07<sup>th</sup> July, 2023 obtained from Navigant Corporate Advisors Limited, a SEBI Registered Category I Merchant Banker.</p> <p>Pursuant to the Scheme the Transferee Company will issue and allot equity shares to the shareholders of Transferor Company- 2(except the Transferee Company) as per the share exchange ratio as mentioned in the Scheme.</p>																



*[Handwritten Signature]*

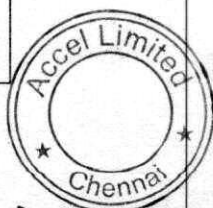
SR. NO	DETAILS OF EVENTS THAT NEED TO BE PROVIDED	INFORMATION OF SUCH EVENT(S)
(c)	area of business of the entity(ies);	<p>Transferee Company: The Company is engaged in the business of IT Services and Realty Services.</p> <p>Transferor Company -1: The Company is engaged in the business of manufacture of consumer items.</p> <p>Transferor Company -2: The Company is engaged in the business of visual effects, digital intermediate and animation.</p>
(d)	rationale for amalgamation/merger;	<p>The amalgamation of the Undertaking/s of the Transferor companies with and into the Transferee Company pursuant to this Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:</p> <p>(i) The Transferee Company is the Holding company of the Transferor Companies. The Transferee Company has invested substantial amount of funds in the Transferor Companies. The Transferee Company was into similar business earlier and has got vast knowledge and experience in such type of business, which can now be exploited. The Transferee Company, being a Listed Company wants to tap into the tremendous business potential available presently in India for the businesses of the Transferor Companies and position itself as one of the main Information Technology (IT) Service and Media Companies in India. Furthermore, the Amalgamation will also result in enriching the shareholders of the Transferee Company by adding another line of business, which is already known to the Transferee Company.</p> <p>(ii) The Transferee Company will have, post amalgamation, the ability to leverage on the resources of both the Transferee and the Transferor Companies. It will also be possible to take advantage of the combined professional and managerial experience and expertise to increase the shareholder's value. This will result in operational synergies, centralization, simplification, streamlining and optimization of the corporate structure of the group, thereby facilitating efficient administration.</p> <p>(iii) On evaluating the growth of the Transferor Companies, it is considered that the amalgamation will enable pooling of resources of the aforesaid Transferor Companies with the resources of the Transferee Company to their advantage, resulting in more productive utilization of said resources, and cost and operational efficiencies which would be beneficial to all stakeholders. The consolidated</p>



*[Handwritten signature]*



		<p>entity will offer a strong and stable financial structure to all stakeholders, facilitate resource mobilization and lead to the achievement of better cash flows and also optimum utilization of assets and resources. This will result in a substantial enhancement of shareholders' value of the Transferee Company.</p> <p>(iv) The activities of the Transferor Companies and the Transferee Company complement each other, and the combined efforts and resources would lead to a more concentrated approach towards development of the business and the achievement of their objectives.</p> <p>(v) The Transferee Company holds certain IP's in Media and Animation field and by way of combined efforts of Transferee Company with that of the Transferor Companies, this can be gainfully commercialised.</p> <p>(vi) Consequent upon merger, the Transferee Company would be able to optimize the resources required for overall general and administrative purpose. The Transferee Company would be able to use its existing resources as well as the resources of the Transferor Companies and this would reduce the cost of maintaining and using separate resources.</p> <p>(vii) The consolidated entity is likely to achieve higher long-term financial returns than could be achieved individually by the Companies. The merger will enable the Transferor Companies (being a division of a bigger company) to come out of its serious liquidity crunch, which is presently having a significant adverse impact on its business operation.</p> <p>(viii) The consolidation of the business operations, undertakings, assets, liabilities etc. of the Transferor Companies into the Transferee Company, under a single centralized system of management, will result in management being able to exercise greater control over the operations of the Companies. This will also result in management being able to undertake any re-structuring/re-organization of the various business undertakings of the Companies for the purposes of achieving optimum efficiency and/or to attract investments in the individual business undertakings of the Companies.</p> <p>(ix) The Banks, creditors and institutions, if any of the Transferor and Transferee companies are not affected by the proposed amalgamation, as their security is maintained, and no compromise or arrangement is proposed to be made with them. There is no likelihood that the interests of any shareholder or creditor of either the Transferor Companies or the Transferee Company would be</p>
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		<p>prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of Transferor Companies or the Transferee Company.</p> <p>(x) The Scheme is expected to bring about overall cost management and reduction of statutory and legal compliance in the interest of the shareholders, creditors and employees of the Transferor Companies &amp; Transferee Company and their stakeholders and would enable the Transferor Companies and Transferee Company to adopt a focused business approach for the maximization of benefits to their respective stakeholders. The Scheme shall not in any manner be prejudicial to the interests of concerned shareholders, creditors or / and general public at large.</p> <p>(xi) In order to consolidate the business at specified places and effectively manage the Transferor companies and the Transferee company as a single entity, which will provide several benefits including streamlining Group structure by reducing the number of entities, reducing the multiplicity of legal and regulatory compliances, rationalising costs, it is intended that the Transferor Companies be amalgamated with the Transferee Company.</p> <p>(xii) The amalgamation will thus eliminate a multi-layer structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operation would be substantially cost efficient.</p> <p>(xiii) The Scheme envisages simplify shareholding structure and reduce shareholding tiers.</p>
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SR. NO	DETAILS OF EVENTS THAT NEED TO BE PROVIDED	INFORMATION OF SUCH EVENT(S)
(e)	in case of cash consideration – amount or otherwise share exchange ratio;	Upon the Scheme becoming effective, the Transferee Company shall issue and allot 12,12,500 fully paid equity shares to the shareholders of the Transferor Company -2 (except the Transferee Company), as on the Record Date, as per the following share exchange ratio:



*[Handwritten signature]*

*"For every one equity shares of Transferor Company of face value of INR. 10/- each held in Transferor Company, every equity shareholder of the Transferor Company other than Transferee Company, shall without any application, act or deed, be entitled to receive one equity share of face value INR.2/- each of the Transferee Company, credited as fully paid up".*

Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company and accordingly, such equity shares held in the Transferor Company shall stand cancelled.

The share exchange ratio has been arrived at based on the valuation report dated 07<sup>th</sup> July, 2023 obtained from Mr. Sanka Hari Surya, a registered Valuer and confirmed by a Fairness Opinion dated 07<sup>th</sup> July, 2023 obtained from Navigant Corporate Advisors Limited, a SEBI Registered Category I Merchant Banker.

No cash consideration is envisaged under this Scheme.

(f) brief details of change in shareholding pattern (if any) of listed entity.	Category	No. of shares and % of voting rights pre-amalgamation (Date : As on 31 <sup>st</sup> March, 2023)	No. of shares and % of voting rights post-amalgamation
		Promoter	4,12,35,661 (71.62%)
	Public	1,63,36,740 (28.38%)	1,70,17,990 (28.95%)
	<b>TOTAL</b>	<b>5,75,72,401</b>	<b>5,87,84,901</b>



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